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AMENDMENT TO H.R. 4137, AS REPORTED
OFFERED BY MR. PETRI OF WISCONSIN

Auction evaluation

Page 452, beginning on line 6, strike subsection (d)
and insert the following:

1 “(d) **REPORTS.**—The Secretary and the Secretary of
2 the Treasury shall submit to the authorizing committees—

3 “(1) not later than September 1, 2009, a pre-
4 liminary report regarding the findings of the evalua-
5 tion described in subsection (c), and shall rec-
6 ommend the implementation of a specific alternative
7 market-based mechanism that will—

8 “(A) determine lender returns;

9 “(B) result in reduced Federal costs on a
10 program-wide basis, on loans made, insured, or
11 guaranteed under part B of this title, excluding
12 from consideration the Federal PLUS loans de-
13 scribed in section 428B that are the subject of
14 the competitive loan auction pilot program
15 under this section;

16 “(C) include not more than—

17 “(i) 10 percent of the annual loan vol-
18 ume under this part B of this title during

1 the first year of the alternative pilot pro-
2 gram; and

3 “(ii) 20 percent of the annual loan
4 volume under this part B of this title dur-
5 ing the subsequent years of the alternative
6 pilot program;

7 “(D) permit participation in any alter-
8 native auction-based pilot program on a vol-
9 untary basis for eligible institutions and eligible
10 lenders participating under part B of this title
11 prior to July 1, 2007;

12 “(E) provide for all savings to the United
13 States Treasury generated by such alternative
14 pilot program to be distributed to institutions
15 participating under this section on a basis pro-
16 portionate to loan volume under such part for
17 supplemental, need-based financial aid, except
18 than an institution that is operating as an eligi-
19 ble lender under section 435(d)(2) shall not be
20 eligible for any such distribution;

21 “(2) not later than September 1, 2012, an in-
22 terim report regarding such findings; and

23 “(3) not later than September 1, 2013 a final
24 report regarding such findings.

1 “(e) INDEPENDENT EVALUATION.—The Government
2 Accountability Office shall conduct an independent evalua-
3 tion of any auction or auctions conducted under this sec-
4 tion no later than September 1, 2013.”.